

MINUTES OF THE  
MARICOPA ASSOCIATION OF GOVERNMENTS  
TRANSPORTATION POLICY COMMITTEE MEETING

December 2, 2009  
MAG Office, Saguaro Room  
Phoenix, Arizona

MEMBERS ATTENDING

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| Mayor Marie Lopez Rogers, Avondale,<br>Chair                 | # Mark Killian, The Killian Company/Sunny<br>Mesa, Inc.            |
| Mayor Scott Smith, Mesa, Vice Chair                          | # Mayor Jim Lane, Scottsdale                                       |
| Councilmember Ron Aames, Peoria                              | Mayor John Lewis, Gilbert  |
| # Kent Andrews, Salt River Pima-Maricopa<br>Indian Community | Mayor Jackie Meck, Buckeye   |
| * Stephen Beard, HDR Engineering Inc.                        | Councilwoman Peggy Neely, Phoenix<br>David Scholl                  |
| * Dave Berry, Swift Transportation                           | * Mayor Elaine Scruggs, Glendale                                   |
| Jed Billings, FNF Construction                               | Mayor Lyn Truitt, Surprise   |
| Mayor James Cavanaugh, Goodyear                              | Supervisor Max W. Wilson, Maricopa County                          |
| Mayor Boyd Dunn, Chandler                                    | Felipe Zubia, State Transportation Board                           |
| Mayor Hugh Hallman, Tempe                                    | * F. Rockne Arnett, Citizens Transportation<br>Oversight Committee |
| * Eneas Kane, DMB Associates                                 |  |
- \* Not present  
# Participated by telephone conference call  
+ Participated by videoconference call

1. Call to Order

The meeting of the Transportation Policy Committee (TPC) was called to order by Chair Marie Lopez Rogers at 4:05 p.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited. Chair Rogers noted that Mayor Jim Lane, Kent Andrews and Mark Killian were participating in the meeting by telephone.

Chair Rogers noted materials at each place: For agenda item #7, page six of the memorandum to the RPTA Board that was inadvertently omitted from the agenda packet, and for agenda item #8, a letter from Mayor Hallman submitting a name for the vacant business seat on the TPC.

3. Call to the Audience

Chair Rogers stated that an opportunity is provided to the public to address the Transportation Policy Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non action agenda items that are on the agenda for discussion or information only. Citizens will be requested not to exceed a three minute time period for their comments. An opportunity is provided to comment on agenda items posted for action at the time the item is heard.

Chair Rogers noted that no public comment cards had been turned in.

4. Approval of Consent Agenda

Chair Rogers stated that agenda items #4A, #4B, #4C, and #4D were on the consent agenda. She stated that public comment is provided for consent items, and noted that no public comment cards had been received. Chair Rogers asked members if they would like to remove any of the consent agenda items or have a presentation. None were noted. Mayor Hallman moved to recommend approval of consent agenda items #4A, #4B, #4C, and #4D. Mayor Dunn seconded, and the motion carried unanimously.

4A. Approval of the October 21, 2009, Meeting Minutes

The Transportation Policy Committee, by consent, approved the October 21, 2009, meeting minutes.

4B. Revisions to the Arterial Life Cycle Program Policies and Procedures

The Transportation Policy Committee, by consent, recommended approval of the proposed changes to Section 350 of the Arterial Life Cycle Program (ALCP) Policies and Procedures. In 2004, MAG initiated the development of the ALCP to provide management and oversight for the implementation of the arterial component of the Regional Transportation Plan (RTP). In 2005, the Regional Council approved the ALCP Policies and Procedures ("Policies") to direct the implementation of the arterial street projects in an efficient and cost-effective manner. On April 22, 2009, the Regional Council approved revisions and refinements to the Policies. Since the approval, MAG member agencies have expressed concerns about the policies regarding ALCP project savings and programming the ALCP when a deficit of revenue occurs. On September 3, 2009, the ALCP Working Group met to discuss these concerns and other issues regarding the definition of a completed project for the Regional Area Road Fund (RARF) Closeout and data issues encountered during the annual update process. The Transportation Review Committee and the Management Committee recommended approval of the revisions to the ALCP Policies and Procedures.

4C. Project Changes – Amendments and Administrative Modifications to the FY 2008-2012 MAG Transportation Improvement Program

The Transportation Policy Committee, by consent, recommended approval of amendments and administrative modifications to the FY 2008-2012 Transportation Improvement Program, and as appropriate, to the Regional Transportation Plan 2007 Update. The FY 2008-2012 Transportation Improvement Program and Regional Transportation Plan 2007 Update were approved by the MAG Regional Council on July 25, 2007. Since that time, there have been requests from member agencies to modify projects in the programs. Requested project changes include funding changes and new projects to be funded with American Recovery and Reinvestment Act funds, and a number of project changes that relate to the approval of conformity. The Transportation Review Committee and the Management Committee recommended approval of projects on pages 1-2 of the attachment. The projects on pages 3-4 of the attachments titled New Requests were provided for the first time at the Transportation Policy Committee.

4D. American Recovery and Reinvestment Act (ARRA) Monthly Status Report

A Status Report on the American Recovery and Reinvestment Act (ARRA) funds dedicated to transportation projects in the MAG region is provided. This report covers the status of project development as of November 24, 2009. It reports on highway, local, transit, and enhancement projects programmed with ARRA funds and the status of project development milestones per project. This item was on the agenda for information.

5. Reallocation of Unused Local/MPO American Recovery and Reinvestment Act (ARRA) Funds Policy Options

Eileen Yazzie, MAG Transportation Program Manager, began her report by saying that to prevent overlap of policy discussion, she would be giving separate presentations on agenda items #5 (Local/MPO ARRA Funds), #6 (Highway ARRA Funds), and #7 (Transit ARRA Funds).

Ms. Yazzie stated that the Local/MPO ARRA funded projects were listed beginning on page four in the November Status Report (agenda item #4D). She pointed out that three Local/MPO projects have already obligated and all projects are projected to obligate by February 2010, with the majority obligating in December 2009. Ms. Yazzie noted the action taken by the Regional Council in October to change the November 30, 2009, obligation deadline to a milestone date.

Ms. Yazzie advised that ARRA Local/MPO funds are likely to become available after the March 2, 2010, federal deadline due to project costs being less than programmed, and those funds will need to be obligated. She reviewed the schedule of actions: December 2009 to January 2010, the remaining Local/MPO ARRA projects will obligate; March 2, 2010, is the federal deadline for obligating ARRA transportation funds; January to April 2010, Local/MPO projects will go out to advertise and bid; March to April 2010, the majority of Local/MPO ARRA project bids and contracts are awarded and the project savings amounts will be known; September 2010, the second federal deadline for obligating ARRA transportation funds realized from lower costs.

Ms. Yazzie noted that MAG staff has been working with the Federal Highway Administration and the Arizona Department of Transportation (ADOT) on determining the main focus for programming. She said that with regard to reporting on ARRA funds, less is better and it is easier to report on one large project than 12 smaller projects. Ms. Yazzie stated that they still need to ensure there are ready to go projects and to continue the original policy to program projects at the local level based on population.

Ms. Yazzie displayed the recommended action onscreen and reviewed what the action would accomplish. She stated that a local jurisdiction has first priority for reprogramming savings from its projects. Ms. Yazzie stated that a project may switch from ARRA funding to Surface Transportation Program (STP) funding with ADOT. She explained that the reporting requirements are greater for ARRA funds than STP funds. Ms. Yazzie stated that ADOT would then use the ARRA funds on a MAG Regional Freeway project. She stated that another recommendation in the action is that a local agency could use ARRA to lower its 30 percent local cost share. Ms. Yazzie advised that RTP policy requires an overall local match of 30 percent and this recommendation would lift that requirement in order to move projects forward.

Ms. Yazzie stated that the recommended action simplifies ARRA savings, allows the savings to be moved to a larger project, and releases much of the reporting requirements. The action also includes a deadline of September 2010 for obligating STP funds. She remarked that a slight disadvantage to STP funds is the requirement of a local match of 5.7 percent, and gave as an example that a \$500,000 project would need a local match of \$28,500. Ms. Yazzie noted that local projects utilizing the ARRA funds would still need to go through the ADOT Local Governments process.

Ms. Yazzie advised that there are three technical programming areas that need to be resolved: 1) Establishing a threshold related to programming ARRA/STP project savings on local projects; 2) Establishing a regional project prioritized list for cost savings that do not meet the threshold; 3) Local projects funded with STP. Ms. Yazzie indicated that work will begin on these areas at the December Transportation Review Committee meeting.

Chair Rogers thanked Ms. Yazzie for her presentation and asked members if they had questions.

Mayor Hallman asked for clarification that an opportunity is still provided to have funds available for transit items. He said that ARRA funds transferred to STP funds will be surface transportation dollars and not transit dollars. Mayor Hallman stated that the goal was to keep the money in the transit programs. He asked how that was going to be met. Ms. Yazzie replied that she would be addressing Transit ARRA funds under agenda item #7. She explained that with this local policy, no funds are going to transit at all, and even though this is at the local level, they have not seen transit projects that are ready to go. Mayor Hallman commented that this was the reason Ms. Yazzie had separate presentations for the three ARRA agenda items. Ms. Yazzie replied that was correct. She said that the priorities for transit savings are transit operations and ADA operations.

Mr. Anderson stated that if the City of Tempe has additional ARRA funds from bid savings, it may be possible to flex the funds to transit. Mr. Anderson continued that they understand ARRA Highway funds cannot be used for transit or ADA operations – only Transit ARRA funds can be used for those purposes.

Chair Rogers asked those participating via teleconference if they had questions. None were noted.

Mayor Dunn moved to recommend approval that any unobligated American Recovery and Reinvestment Act (ARRA) Local funds due to either projects not obligating or project cost savings, are to be programmed at the local discretion first, and may remain ARRA funds or may be exchanged with the Arizona Department of Transportation (ADOT) for ADOT Surface Transportation Program (STP) funds. ADOT would then use the ARRA funds on highway projects in the MAG region and ADOT will transfer an equivalent amount of ADOT STP funds that can be used by MAG members on local federally funded projects. If applicable, the local agency may use project cost savings from their own original ARRA allocation to lower the 30 percent local cost share on projects programmed under the 70/30 cost share policy. Councilman Aames seconded, and the motion passed unanimously.

6. Revision of Highway Projects to Be Funded with American Recovery and Reinvestment Act Funds

Ms. Yazzie stated that since the MAG Regional Council approved reprioritizing the ARRA Highway project list based on the ability to obligate in September 2009, highway projects have continued to move forward with advertising, bids, and contract awards. She advised that there have been cost savings due to lower bid/contract award amounts, such as the US-60 Grand Avenue project estimated at \$44 million that came in with a bid of \$22 million. Ms. Yazzie stated that the project savings were applied to the projects on the priority list and currently there are additional savings of approximately \$2.6 million which need to be programmed. Ms. Yazzie stated that it is recommended to add the SR-143 project at \$35.1 million to the approved ARRA Highway project list to be funded based on the ability to obligate. She advised that cost savings are anticipated to continue, and could be applied to the SR-143 project.

Chair Rogers thanked Ms. Yazzie for her report and asked members if they had questions.

Mayor Cavanaugh asked for a description of the SR-143 project. Mr. Anderson replied that the SR-143 project provides access from SR-143 to I-10 to those exiting Sky Harbor Airport eastbound. He explained that currently, drivers must exit onto old SR-153, then go to 40th Street and then to I-10.

Councilman Aames asked for clarification if the Local option still existed. Mr. Anderson replied that these are Highway funds only.

Chair Rogers asked those participating via teleconference if they had questions. None were noted.

Mayor Hallman asked for clarification of Mr. Anderson's response to Councilman Aames's question. He asked if the source was ADOT funding that would be supplanted with ARRA funding. Mr. Anderson replied that was correct. He explained that the SR-143 project is a Proposition 400 project that is ready to go to bid. Mr. Anderson stated that this project is programmed with federal and RARF funds and is eligible for ARRA funds. He explained that bid savings from other projects would go to fund this project and would free up money from the program that could be used for other regional freeway projects. Mayor Hallman asked if it is ADOT's commitment to move funding toward this project. Mr. Anderson replied yes.

Mayor Dunn asked for clarification if the ARRA funds were needed to fully fund the SR-143 project. Mr. Anderson replied that the SR-143 project is fully funded and what this action does is to allow replacing the federal dollars currently allocated with ARRA funds, which have a short timeframe to obligate, and frees up federal dollars that could benefit other projects in the region.

With no further discussion, Mr. Killian moved to recommend adding the SR-143 project to the American Recovery and Reinvestment Act Highway project list to be funded based on the ability to obligate. Mayor Dunn seconded, and the motion passed unanimously.

7. Additional Transit Projects to Be Funded with American Recovery and Reinvestment Act Funds

Ms. Yazzie provided a presentation on the Transit ARRA funds. She explained that originally, the legislation did not allow American Recovery and Reinvestment Act (ARRA) funds to be used for operations, but this was amended to allow 10 percent of the Transit ARRA funds for transit operations and 10 percent for ADA operations. Ms. Yazzie noted that the bids for transit projects, like the highway projects, have been coming in under the programmed costs, which result in available ARRA transit funds that need to be programmed. She noted that the capital transit projects are funded.

Ms. Yazzie noted that the memorandum from the Regional Public Transportation Authority (RPTA) was included in the agenda packet. She noted that the additional ARRA funds were considered through the RPTA process and then she reviewed the RPTA Board recommendation. Ms. Yazzie stated that the Board approved priority guidelines, the methodology by which operating and preventive maintenance funds are allocated to Bus, Rail and ADA, and recommended to amend the MAG 2008-2012 TIP to include operating and ADA assistance.

Ms. Yazzie noted that the 11 projects recommended by the RPTA Board to be added to the MAG 2008-2012 TIP, were shown on the table included in the material sent for agenda item #4C. They include six operating assistance projects that total \$1.75 million and five ADA complimentary paratransit projects that total \$1.75 million, and account for project savings of \$3.5 million. Ms. Yazzie advised that once additional project savings come in, the 11 line items for operating assistance and ADA complimentary paratransit could be increased up to \$6.4 million.

Chair Rogers thanked Ms. Yazzie for her presentation and asked members if they had questions.

Mr. Killian asked if any transit operations were operating in the black. Bryan Jungwirth, RPTA staff, replied no. Mr. Killian stated that none of the transit is operating in the black and we are losing money. He questioned how spending money could be justified during the current economic situation and with recovery not in the near future. He asked if the federal funds were expected to continue and if the state continues with its reckless behavior how can spending this money be justified. Mr. Killian remarked that every city and town, the County and the State are in fiscal trouble and he did not understand how we can continue to run projects in the red.

Mayor Hallman said that the analogy he would draw is that the highways are not running in the black, either. He remarked that funding through the gas tax has fallen drastically and we are using ARRA funds to replace those funds to build freeways. Mayor Hallman stated that these funds are specifically identified for transit use and some can be used toward capital projects and 10 percent can be used toward operations. He expressed that he felt we were better off not building out additional projects we cannot afford to operate but instead continue to carry the services we have provided until the economy returns to a level that can support those services. Mayor Hallman stated that as a policy matter it makes sense. He expressed appreciation for Mr. Killian's point, but these funds are specifically allocated to transit. The question is whether it is better to spend the funds on capital projects we cannot afford to operate or allow ten percent of the funds to be used for the operation of projects that have already been built. Mayor Hallman expressed that he thought spending a portion on operations was a good idea.

Mr. Killian asked for clarification that capital money was being shifted to operations. Ms. Yazzie replied that these are funds that are unprogrammed because there were project savings from a BRT projects. She stated that one option provided by ARRA legislation is to use some of the funds for operations. Ms. Yazzie stated that this recommendation from the RPTA Board is to use the funds for operating and ADA assistance projects as a first priority.

Mr. Killian asked the amount for operations. Ms. Yazzie replied that the Board recommended six operating assistance projects that total \$1.75 million and five ADA complimentary paratransit projects that total \$1.75 million, a total of \$3.5 million.

Mr. Killian asked the length of time the funds would be provided. Mr. Anderson replied that under the ARRA legislation, 10 percent of the total transit allocation of \$64 million can be used for these categories. He explained that initially, the allocation of ARRA for transit operations assistance and ADA assistance was not allowable, but subsequently, 10 percent was made available for operations. Mr. Anderson stated that this region has \$3.5 million on the table from bid savings from a capital project and has three choices: 1) not program the money and lose it; 2) program the money on a capital project; 3) program the money on operating expenses rather than spending it on new capital projects with ongoing operating expenses.

Mr. Killian asked for clarification that this was a one-time injection of funds. Mr. Anderson replied that was correct, and it would relieve some of the pressure from the operating funds of the transit operators.

Councilman Aames mentioned that transit operations and paratransit operations also have been impacted by reduced revenue from the Arizona Lottery and this is a way to fill that gap. He commented that capital projects are not as meaningful if they cannot be operated. Councilman Aames said that he serves on the RPTA Board and they are hearing that less paratransit and reduced service hours are looming in the future. He stated that this will help fill the gap. Councilman Aames stated that the Board discussed this issue and this is where they would like to see the funds allocated.

Mr. Killian encouraged spending the funds as soon as possible to avoid the possibility of any sweep.

With no further discussion, Mayor Hallman moved to recommend approval of the RPTA recommendation to add operating and ADA assistance projects to the MAG 2008-2012 TIP. Mayor Dunn seconded, and the motion passed unanimously.

8. Solicitation of Names to Submit to the Speaker of the House to Fill a Vacancy on the Transportation Policy Committee

Dennis Smith, MAG Executive Director, stated that Mr. Eneas Kane, a charter member of the TPC, has informed MAG that due to his greater responsibilities at work he would be resigning from the Committee. He noted that Mr. Kane was an appointee of the Speaker of the House and his term on the TPC expires December 31, 2012. Mr. Smith stated that a candidate representing regionwide business is needed to fill the vacancy and a memorandum was sent to the Regional Council to solicit names. Mr. Smith explained that according to state law, MAG can provide input on the names to the Speaker of the House who makes the eventual appointment. He noted that letters were received for four individuals. Mr. Smith added that the input from the TPC will be forwarded to the Regional Council who will consider the name or names next week and could make a recommendation to forward the name or names to the Speaker.

Chair Rogers noted that no action was requested and asked for input.

Supervisor Wilson said that these are outstanding individuals and he recommended all four of the names submitted be forwarded to the Regional Council.

Mayor Cavanaugh stated that Mr. Kane worked for DMB, Mr. Zubia, since his appointment to the State Transportation Board, has begun working for DMB, and one of the candidates works for DMB. He expressed concern having two people from DMB as members of the TPC.

Mr. Zubia clarified that as of the end of 2009 he would be leaving DMB to concentrate full time on his planning, engineering, and design company.

Mayor Hallman noted that no action was requested on the agenda, just information, discussion and input. He said that he thought forwarding all of the names would be the prudent thing to do and he hoped the Regional Council would feel the same and let the Speaker sort it out.



Mayor Dunn asked for clarification that the Speaker was not committed to select the TPC member from the names submitted by MAG. Mr. Smith replied that was correct.

9. Request for Future Agenda Items

Topics or issues of interest that the Transportation Policy Committee would like to have considered for discussion at a future meeting will be requested.

Mr. Killian asked if staff could provide a report on transportation items for which the TPC is responsible that could be subject to legislative appropriation. He added that the report could bring the TPC up to date and outline the impact to the transportation system.

Mr. Smith stated that there are concerns with ADOT's ability to match federal funds in the future. He asked for clarification that Mr. Killian would like to include an update on the financial condition of ADOT and the impacts of raids on ADOT.

Mr. Killian replied yes, and also mentioned that he would like to know how ADOT will be able to manage the contracts with the cities when their budget continues to be slashed.

Chair Rogers said that this would be on a future agenda.

10. Adjournment

There being no further business, Mayor Hallman moved, Mayor Dunn seconded, and the meeting adjourned at 5:45 p.m.

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Chair

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Secretary